



# PHILIP MORRIS

INCORPORATED

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 • TELEPHONE (212) 880-6000

April 1, 1991

Mr. Jeffrey A. Krueger  
WE Fest, Inc.  
Box 1227  
Detroit Lakes, MN 56501

WE Fest

Dear Mr. Krueger:

This letter constitutes the agreement between Philip Morris Incorporated ("Philip Morris") and WE Fest, Inc. ("Promoter"), regarding Philip Morris' sponsorship, on behalf of its **Marlboro** brand of cigarettes, of the WE Fest (the "Event") to be held at 500 Pass Ranch, Detroit Lakes, Minnesota on August 2-4, 1991. The terms of our agreement follow.

1. Sponsorship Rights. As a sponsor of the Event, Philip Morris will be entitled to:

- (a) exclusive tobacco sponsorship of the Event;
- (b) construct and operate one 24' x 16' promotional booth (the "Promotional Booth") to be located in an area to be agreed upon by the parties and used by Philip Morris to distribute branded merchandise and promotional materials among smokers 21 years of age and older;
- (c) hang banners and signage on or around the Promotional Booth, and display signage, no larger than 4' x 6' , on the inner wall enclosing the music area at the Event;
- (d) 20 complimentary passes for box seats in the stage area at the Event providing for free food and beverages and limited backstage access; 100 complimentary promotional single-day passes for each day of the Event; and one complimentary camping permit for the VIP area of the Event; and
- (e) the right to recognition in advertising placed in connection with the Event, and to approve in advance all materials and announcements prepared by Promoter that

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mention Philip Morris or Marlboro; provided that the approval is effected on a timely basis.

2. Sponsorship Payment. For the rights and permissions granted under the Agreement, Philip Morris will pay Promoter the sum of \$15,000, \$7,500 of which will be payable within ten days of Philip Morris' execution of the Agreement, and \$7,500 of which will be payable upon satisfactory completion of the Event.

3. Term. The term of the Agreement will commence upon its execution, and continue through the completion of the Event.

4. Exclusivity. Promoter will not enter into sponsorship agreements with any other manufacturer of cigarette or tobacco products, nor permit signage, commercial identification or sampling activities of any other cigarette or tobacco products in connection with the Event, without the prior written consent of Philip Morris.

5. Independent Contractor. Promoter is and will remain an independent contractor and nothing in the Agreement will create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of its employees.

6. The Marlboro Name. Promoter will have no right or interest in the Marlboro name or the slogans, designs of logos-types associated with Marlboro, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris described in paragraph 1(e).

7. Insurance. Prior to the commencement of the Event, Promoter will deliver to Philip Morris original certificates of insurance evidencing coverage for (i) comprehensive general liability, including advertiser, spectator, participant, host liquor and contractual liability with limits of no less than \$1,000,000 combined single limit for bodily injury, including personal injury, and property damage; (ii) comprehensive automobile liability including all owned, non-owned and hired vehicles, with limits of no less than \$1,000,000 combined single limit; (iii) statutory workers' compensation coverage meeting all state and local requirements; and (v) employers' liability with limits of no less than \$500,000. The insurance certificate required by subparagraphs (i) and (ii) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' prior written notice of any cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance.

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8. Force Majeure. Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of the Event will not subject Promoter or Philip Morris to any liability under the Agreement, except if, and to the extent, otherwise specifically provided in the Agreement. In the event of force majeure Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris during the term of the Agreement, provided however, that if the Agreement is so terminated, Promoter may deduct from the refund all nonrecoverable costs incurred by Promoter on behalf of Philip Morris.

9. Notices. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, attention: Mr. Jeffrey A. Krueger, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, attention: Director, Event Marketing.

10. Governing Law. The Agreement shall be governed by the laws of New York State applicable to contracts made and entirely performed in New York State but without regard to the conflict of laws provisions of New York State law.

11. Miscellaneous.

11.1 The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term of the Agreement shall be deemed a waiver of any subsequent breach of that term or any other term or a general waiver.

11.2 The Agreement may not be assigned by either party without the written consent of the other, provided, however, that Philip Morris may assign all or any part of its rights, obligations and benefits under the Agreement to any of its affiliates.

11.3 The Agreement sets forth the entire agreement between the parties on its subject matter and supersedes all previous oral or written agreements between them on the subject matter.

11.4 Each party will comply with all applicable federal, state and local laws, regulations and ordinances affecting its activities under the Agreement including Title 15 U.S.C. §§ 1331 et seq.

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning one countersigned copy to me.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED AND AGREED AS OF  
THE DATE OF THIS LETTER:

WE FEST, INC.

By: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Taxpayer I.D. No.

\_\_\_\_\_  
Filing Status

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